

## Message Text

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ORIGIN ABF-01

INFO OCT-01 EUR-12 ISO-00 EB-08 /022 R

DRAFTED BY A/BF/OAG:DLQUAID  
APPROVED BY A/BF/OAG:JHSOUTHERLAND  
EB/ORF/FSE:WRAMSEY  
EUR/CE:NLAUDERDALE

-----074107 180244Z /61

R 172109Z AUG 77  
FM SECSTATE WASHDC  
TO AMEMBASSY BONN  
AMEMBASSY THE HAGUE  
INFO AMCONSUL FRANKFURT

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FRANKFURT FOR GAO EDER

E.O. 11652: N/A.

TAGS: AGAO, ENRG

SUBJECT: GAO REVIEW: "STRATEGIC PETROLEUM RESERVES".

1. IN CONNECTION WITH THE SUBJECT REVIEW, THE GENERAL ACCOUNTING OFFICE IS ATTEMPTING TO OBTAIN INFORMATION ON THE COST AND FEASIBILITY OF SALT CAVERN STORAGE OF CRUDE OIL
  2. SUBJECT TO THE EMBASSIES CONCURRENCE, GAO WOULD LIKE TO DISCUSS WITH OFFICIALS OF THE FRG AND THE GON THE FOLLOWING SUBJECTS: A) PROBLEMS SUCH AS CLOSURES AND FRACTURES INVOLVED WITH STORING CRUDE OIL IN SALT CAVERNS AND MINES, AND PRECAUTIONS TAKEN TO PRECLUDE SUCH PROBLEMS; B) TYPES OF TESTS PERFORMED ON THE CAVERNS AND MINES TO INSURE STRUCTURAL SOUNDNESS, INCLUDING THE CRITERIA FOR TESTING AND THE TEST RESULTS; C) DESIGN CRITERIA FOR SELECTING
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CAVERNS AND MINES, SUCH AS SIZE OF CAVERN, MINIMUM THICKNESS OF SALT AT ROOF, MINIMUM THICKNESS OF SALT TO EDGE OF DOME, AND DISTANCE BETWEEN CAVERNS; D) INFORMATION WITH RESPECT TO CRUDE OIL DEGRADATION AND RECOVERABILITY.

3. IN ADDITION, GAO WOULD LIKE TO OBTAIN THE VIEWS OF THE GOVERNMENTS ON THE RELATIVE COMPETITIVE STATUS OF U.S.

VS. FOREIGN REFINERIES AND THE FUTURE DIRECTION AND FLEXIBILITY OF PRODUCT MIX.

4. GAO ASKS THAT THE EMBASSY ATTEMPT TO ARRANGE MEETINGS WITH THE FOLLOWING: FRANZ B. BRANKAMP AND ELMAR BECKER, BOTH WITH THE FRG MINISTRY OF ECONOMICS; AND WITH HANS-GUNTER HADDENHORST, GENERAL MANAGER OF KAVERNEN BAU UND BETRIEBS GMBH AND APPROPRIATE ENGINEERS OF THAT FIRM WHICH IS LOCATED IN HANNOVER. AT THE HAGUE, GAO WOULD LIKE TO MEET WITH MR. TIELEMAN OF THE DIRECTORATE GENERAL FOR ENERGY OF THE MINISTRY OF ECONOMIC AFFAIRS.

5. GAO TEAM OF JAMES DUFFUS, III, ASSISTANT DIRECTOR, LUCILLE B. PERHOLTZ, SUPERVISORY AUDITOR, AND RALPH CALLOWAY, AUDITOR, PLAN TO ARRIVE IN FRANKFURT ON SEPTEMBER 19. THEY WILL BE AVAILABLE FOR APPOINTMENTS IN BONN AND HANNOVER STARTING SEPTEMBER 21 AND FOR APPOINTMENTS IN THE HAGUE THE WEEK OF SEPTEMBER 26.

6. DEPARTMENT CERTIFIES THAT THE ABOVE-NAMED AUDITORS ARE IN POSSESSION OF CURRENT TOP SECRET SECURITY CLEARANCE.

7. DEPARTMENT WISHES TO COOPERATE WITH THE GAO IN ACCORDANCE WITH THE GUIDELINES IN 4 FAM 930-934. QUESTIONS OR PROBLEMS ARISING DURING THE COURSE OF THE REVIEW SHOULD BE REFERRED TO THE DEPARTMENT. GAO IS AWARE THAT MEETINGS

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WITH OFFICIALS OF FOREIGN GOVERNMENTS ARE AT THE DISCRETION OF THE AMBASSADOR, ARE TO BE ARRANGED FOR BY THE EMBASSY, AND AN EMBASSY OFFICER WILL ACCOMPANY, IF FEASIBLE. VANCE

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**TAGS:** AGAO, ENRG  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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